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OFFICE OF PETITIONS

In re Application of :
Drewes, et al. :
Application No. 12/002,222 :
Filed: December 14, 2007 :
Attorney Docket No.: 50125/103003 :

ON PETITION

This is a decision on the petition filed September 28, 2010, which is being treated as a petition under 37 CFR 1.181(a)(3) requesting that the Director exercise his supervisory authority and overturn the petition decision, dated July 28, 2010, dismissing petitioners' request for a refund of \$43,420.00.

The petition to overturn the decision dismissing petitioners' request for refund, dated July 28, 2010, is **DENIED**.

BACKGROUND

The instant application was filed on December 14, 2007 with a check for \$2,890.00 intended to cover the total fees.

The Transmittal Letter filed with the application itemized the fees to be covered by the check and indicated that \$780.00 was for an application size fee "for specification and drawings filed in paper over 100 sheets (excluding sequence listing or computer program listing filed in an electronic medium). The fee is \$260/\$130 for each additional 50 sheets of paper or fraction thereof." The transmittal Letter further included a request to "[p]lease apply any other charges or any other credits to Deposit Account No. 03-2095."

A compact disk was submitted upon filing having computer data that was equivalent to 8369 sheets of paper.

On October 17, 2008, Deposit Account No. 03-2095 was charged \$43,680 as an application size fee for the quantity of data submitted on the electronic medium of compact disk.

In a letter mailed December 12, 2008, the Office indicated that a partial refund of \$260.00 was given for the application size fee. This letter further indicated that “[a]pplication size fee is required when the specification and drawings exceed 100 sheets of paper, for each additional 50 sheets or fraction thereof. If multiple sets of the preceding parts that make up the Specifications and Drawings are received upon initial receipt date of the application are considered in the first calculation of the application size fee. Tables submitted on CD that comply with the CD rules (Tables sizes contained on CD's will be included into the Application Size fee, 3 Kilobytes is equivalent to 1 page).”

A refund of the entire fee was requested through a petition filed November 4, 2009.

The petition requesting a full refund was dismissed on July 28, 2010.

On September 28, 2010, a renewed petition was filed requesting reconsideration of the July 28, 2010 decision.

The decision of July 28, 2010 has been reconsidered and is denied herein.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

35 USC 42(d) states:

The Director may refund any fee paid by mistake or any amount paid in excess of that required.

35 USC 41(a)(1)(G) states:

In addition, excluding any sequence listing or computer program listing filed in electronic medium as prescribed by the Director, for any application the specification and drawings of which exceed 100 sheets of paper (or equivalent as prescribed by the Director if filed in an electronic medium), \$250 for each additional 50 sheets of paper (or equivalent as prescribed by the Director if filed in an electronic medium) or fraction thereof.

37 CFR 1.16(s) states:

Application size fee for any application under 35 U.S.C. 111 filed on or after December 8, 2004, the specification and drawings of which exceed 100 sheets of paper, for each additional 50 sheets or fraction thereof:

By a small entity (§ 1.27(a))..... \$135.00
By other than a small entity..... \$270.00

37 CFR 1.26(a) and (b) state:

(a) The Director may refund any fee paid by mistake or in excess of that required. A change of purpose after the payment of a fee, such as when a party desires to withdraw a patent filing for which the fee was paid, including an application, an appeal, or a request for an oral hearing, will not entitle a party to a refund of such fee. The Office will not refund amounts of twenty-five dollars or less unless a refund is specifically requested, and will not notify the payor of such amounts. If a party paying a fee or requesting a refund does not provide the banking information necessary for making refunds by electronic funds transfer (31 U.S.C. 3332 and 31 CFR part 208), or instruct the Office that refunds are to be credited to a deposit account, the Director may require such information, or use the banking information on the payment instrument to make a refund. Any refund of a fee paid by credit card will be by a credit to the credit card account to which the fee was charged.

(b) Any request for refund must be filed within two years from the date the fee was paid, except as otherwise provided in this paragraph or in § 1.28(a). If the Office charges a deposit account by an amount other than an amount specifically indicated in an authorization (§ 1.25(b)), any request for refund based upon such charge must be filed within two years from the date of the deposit account statement indicating such charge, and include a copy of that deposit account statement. The time periods set forth in this paragraph are not extendable.

37 CFR 1.52(f)(1) states:

Any sequence listing in an electronic medium in compliance with §§ 1.52(e) and 1.821(c) or (e), and any computer program listing filed in an electronic medium in compliance with §§ 1.52(e) and 1.96, will be excluded when determining the application size fee required by § 1.16(s) or § 1.492(j). For purposes of determining the application size fee required by § 1.16(s) or § 1.492(j), for an application the specification and drawings of which, excluding any sequence listing in compliance with § 1.821(c) or (e), and any computer program listing filed in an electronic medium in compliance with §§ 1.52(e) and 1.96, are

submitted in whole or in part on an electronic medium other than the Office electronic filing system, each three kilobytes of content submitted on an electronic medium shall be counted as a sheet of paper.

37 CFR 1.53(f)(1) and (3) state:

(1) If an application which has been accorded a filing date pursuant to paragraph (b) or (d) of this section does not include the basic filing fee, the search fee, or the examination fee, or if an application which has been accorded a filing date pursuant to paragraph (b) of this section does not include an oath or declaration by the applicant pursuant to §§ 1.63, 1.162 or § 1.175, and applicant has provided a correspondence address (§ 1.33(a)), applicant will be notified and given a period of time within which to pay the basic filing fee, search fee, and examination fee, file an oath or declaration in an application under paragraph (b) of this section, and pay the surcharge if required by § 1.16(f) to avoid abandonment.

(3) If the excess claims fees required by §§ 1.16(h) and (i) and multiple dependent claim fee required by § 1.16(j) are not paid on filing or on later presentation of the claims for which the excess claims or multiple dependent claim fees are due, the fees required by §§ 1.16(h), (i) and (j) must be paid or the claims canceled by amendment prior to the expiration of the time period set for reply by the Office in any notice of fee deficiency. If the application size fee required by § 1.16(s) (if any) is not paid on filing or on later presentation of the amendment necessitating a fee or additional fee under § 1.16(s), the fee required by § 1.16(s) must be paid prior to the expiration of the time period set for reply by the Office in any notice of fee deficiency in order to avoid abandonment.

MPEP 607.02 states in pertinent part:

When an applicant or patentee takes an action "by mistake" (e.g., files an application or maintains a patent in force "by mistake"), the submission of fees required to take that action (e.g., a filing fee submitted with such application or a maintenance fee submitted for such patent) is not a "fee paid by mistake" within the meaning of 35 U.S.C. 42(d)....

[I]f the Office charges a deposit account by an amount other than an amount specifically indicated on the charge authorization, any request for refund based upon such charge must be filed within two years from the date of the deposit account statement indicating such charge, and must include a copy of that

deposit account statement. This provision of 37 CFR 1.26(b) applies, for example, in the following types of situations: (1) a deposit account charged for an extension of time pursuant to 37 CFR 1.136(a)(3) as a result of there being a prior general authorization in the application; or (2) a deposit account charged for the outstanding balance of a fee as a result of an insufficient fee submitted with an authorization to charge the deposit account for any additional fees that are due. In these situations, the party providing the charge authorization is not in a position to know the exact amount by which the deposit account will be charged until the date of the deposit account statement indicating the amount of the charge. Therefore, the two-year time period set forth in 37 CFR 1.26(b) does not begin until the date of the deposit account statement indicating the amount of the charge.

OPINION

According to 35 USC 41(a)(1)(G), the Director shall charge "excluding any sequence listing or computer program listing filed in electronic medium as prescribed by the Director, for any application the specification and drawings of which exceed 100 sheets of paper (or equivalent as prescribed by the Director), \$250 for each additional 50 sheets of paper (or equivalent as prescribed by the Director if filed in an electronic medium) or fraction thereof." The statute expressly excludes sequence listings or computer program listings filed in an electronic medium as prescribed by the Director from the application size fee. The statute does not empower the Director to exclude tables, such as those provided on the CD filed in this application, from the application size fee. Since much of the data on the CD filed with the instant application was in the form of tables rather than sequence listings or computer program listings, an application size fee was due.

The application size fee, as set forth in 37 CFR 1.16(s), was \$260.00 for each additional 50 sheets or fraction thereof (for other than a small entity) when the instant application was filed and is currently \$270.00. In addition, 37 CFR 1.52(f)(1), under which the application size fee is determined, requires that each three kilobytes of content submitted on an electronic medium be counted as a sheet of paper for an application the specification and drawings of which are submitted in whole or in part on an electronic medium other than the Office electronic filing system.

Therefore, the tables submitted on CD on December 14, 2007 were properly included in the determination of the application size fee required by 35 USC 41(a)(1)(G) and 37 CFR 1.16(s). The tables on CD are equivalent to 8369 sheets. Thus, the application size fee due for the tables on CD was \$43,420. The USPTO charged the application size fee due for the tables on CD to counsel's deposit account in accordance with the authorization to charge fees included on the application transmittal letter. There were

no limits or restrictions placed on the authorization to charge fees and thus the authorization was a general authorization to charge any fees due to the deposit account.

In regard to the requested refund of \$43,420.00, 35 USC 42(d) and 37 CFR 1.26(a) provide that the Director may refund: (1) any fee paid by mistake or (2) any amount paid in excess of that required.

Petitioners assert that the application size fee charged to Deposit Account No. 03-2095 was paid by mistake since the charge was not applied when the application was filed and applicants were not notified that such a fee was due. Petitioners further contend that a refund is warranted because the charge to the deposit account was allegedly: (1) inconsistent with the course of dealings with the Office and the applicants, and (2) inconsistent with 37 CFR 1.53(f)(3) regarding payment of excess page fees. Petitioners further contend that 37 CFR 1.26(b) and MPEP 607.02 provide for refunds in the present situation.

In the course of dealing with the Office, petitioners were notified on March 13, 2008, via a Notice to File Missing Parts of Nonprovisional Application, that the application was not filed with an oath or declaration and that, among other things, the oath or declaration must be filed with a \$130.00 surcharge for the late submission of an oath or declaration. A check for \$130.00 was then filed with a declaration and promptly credited to the instant application. However, the proceedings related to the declaration are a separate matter from the application size fee that was due. As required by 37 CFR 1.53(f)(1), the Office notifies applicants when an oath or declaration is due with surcharge. In contrast, the Office will charge fees due when an applicant expressly requests that the Office apply any other charges or any other credits to a deposit account. Here, the late filed declaration and application size fee were processed separately and consistent with governing statutes, regulations, and well established Office practice.

Although the application size fee was due upon filing, the deposit account was not charged for this fee until ten months after filing. While the Office endeavors to promptly process items filed, including fees, there is no deadline by which the Office must process a fee that is due upon filing and paid through a general authorization to charge a deposit account. The Office complied with governing statutes, regulations, and Office practice when it charged the application size fee. The Office was not inconsistent in the course of dealings with applicants.

Furthermore, petitioners' reliance on 37 CFR 1.53(f)(3) is inappropriate as this regulation is invoked when an application size fee is not paid on filing and is identified in a notice of fee deficiency. Here, there was no fee deficiency. A general authorization to charge any fee to a deposit account was given upon filing and the deposit account had sufficient funds to satisfy the fee due. Also, the reference to an application size fee

that is not paid on filing does not imply that the Office must charge a fee immediately upon filing or send applicants a notice of fee deficiency. Thus, the charge to the petitioners' deposit account was consistent with 37 CFR 1.53(f)(3).

Petitioners' reliance on 37 CFR 1.26(b) and the discussion of this regulation in MPEP 607.02 is misplaced. These provisions pertain to the time periods for requesting a refund. They do **not** pertain to the determination of whether a fee has been paid by mistake or in excess of the amount required within the meaning of 35 USC 42(d) and 37 CFR 1.26(a). The provisions of 37 CFR 1.26(b) (and the discussion of this regulation in MPEP 607.02) distinguish between a general authorization to charge a deposit account and a specific authorization to charge a deposit account for purposes of the time period for requesting a refund because a party providing a general authorization is not in a position to know the exact amount by which the deposit account will be charged until the date of the deposit account statement indicating the amount of the charge. *See Changes to Implement the Patent Business Goals*, 65 *Fed. Reg.* 54603, 54609 (Sept. 8, 2000). There is no distinction between a general authorization to charge a deposit account and a specific authorization to charge a deposit account in determining whether a fee has been paid by mistake or in excess of the amount required within the meaning of 35 USC 42(d) and 37 CFR 1.26(a). *See id.* at 54608 (no distinction between fee payment methods in the discussion of what does and does not constitute a fee paid by mistake or any amount paid in excess of that required under 35 USC 42(d)). Therefore, 37 CFR 1.26(b) and the discussion of this regulation in MPEP 607.02 do not apply here.

The statutory authorization for the refund of fees paid "by mistake" only applies to a mistake relating to an erroneously paid fee. It does not apply to situations where an applicant takes an action "by mistake." *See* MPEP 607.02. Accordingly, applicants' lack of knowledge that the CD contained a large amount of data and that the fee was due is not a "fee paid by mistake" within the meaning of 35 U.S.C. 42(d).

Also, the application size fee paid in this application was not paid in excess of the amount of fee that is required.

DECISION

The fee was neither paid by mistake nor paid in excess of the amount of fee that is required, and therefore, cannot be refunded under the governing provisions of the statute and regulations. As such, the decision of July 28, 2010 is affirmed and the petition is **denied**.

This decision is a final agency action within the meaning of 5 USC § 704 for purposes of seeking judicial review. *See* MPEP 1002.02.

Telephone inquiries concerning this decision should be directed to Christopher Bottorff at (571) 272-6692.

A handwritten signature in black ink, appearing to read "Anthony Knight", with a stylized flourish at the end.

Anthony Knight
Director, Office of Petitions